

Introduction to Contract Management:

Vendors, Employees, and Oversight

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Objectives

- Understand the importance of reviewing vendor contracts.
- Identify key provisions of vendor contracts.
- Learn how to protect your interest as a governing board and charter school.
- Identify key metrics for monitoring vendor and employee performance

Pop Quiz

Personnel

Super School Services shall select and hire a qualified principal or school leader and other personnel to perform services at the Charter School. Personnel shall be employees of Super School Services. Super School Services shall have the responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, transfer and terminate personnel consistent with applicable state and federal law, the Charter and this Agreement.

Pop Quiz

Annual Budget

Revenues shall be managed and expended by Super School Services consistent with the annual Budget. Super School Services shall provide the Charter School with an annual projected Budget (the “Budget”). For the Charter School’s first Fiscal Year, the Budget shall be submitted prior to the opening of the Charter School. The Budget for each subsequent Fiscal Year shall be submitted to the Board prior to June 1st. The Budget shall be consistent with the Charter, including without limitation the Charter School mission as set forth therein, and this Agreement.

Pop Quiz

Annual Budget

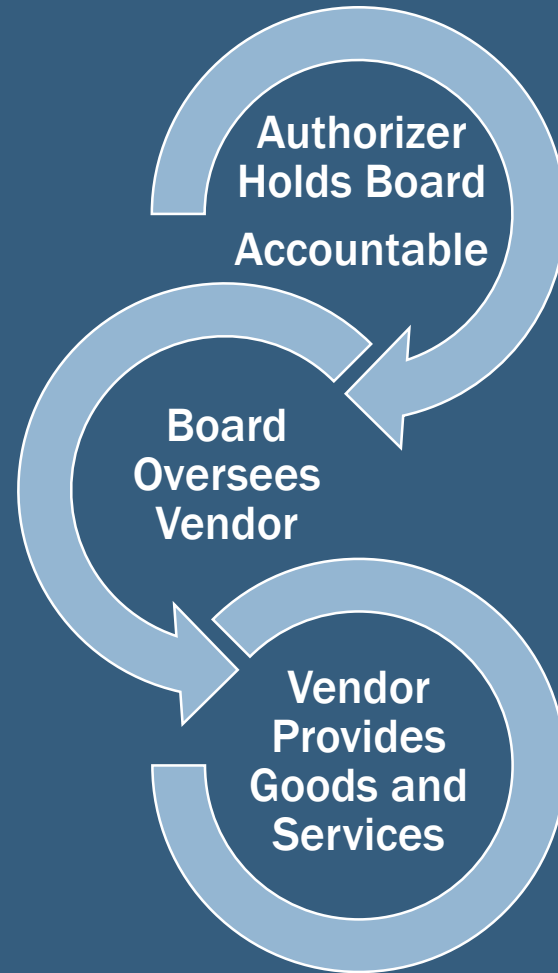
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Pop Quiz

Termination

Termination by Super School Services. Super School Services may terminate this Agreement in the event that: the Charter School ends an academic year in an operating deficit; the Charter School fails to pay any fees due to Super School Services within 14 days written notice that the amount is due; the Charter School materially breaches this Agreement; or any material change in state or federal funding for the State Charter School.

Respective Roles



Due Diligence

- Research a vendor's performance with other schools.
 - Publicly available data regarding schools' academic, financial, and operational data.
 - Reach out to leadership of other schools.
- Do key individuals have a clean and clear professional history?
- Are there any affiliated relationships that may complicate your business relationship?

Key Principles

- Primacy of charter contract
- Board/school independence
- Clearly defined roles and responsibilities
- Common sense fiscal controls
- Protect the student and public interest

Primacy of Charter Contract

- The school's charter contract is its authorization to operate.
- Is the vendor a provider that requires SCSC approval of the contract prior to its execution?
- Does any aspect agreement contradict provisions in the school's charter contract?
- Is the proposed relationship consistent with the school's mission, vision, and innovative features as outlined in the charter contract?

Board and School Independence

- School autonomy is a central tenet of the charter school structure.
- Governing Boards must exercise substantive control over personnel, finances, curriculum and instruction, resource allocation, establishing and monitoring the achievement of school improvement goals, and school operations.
- Vendor contracts must appropriately reserve decision-making authority for the governing board.
- Vendors should have no authority in the selection of board members or its representatives.
- Vendors should not be able to carry out school functions contrary to governing board directives.
- Vendors should not be able to restrict a governing board's oversight of school operations.

Clearly Defined Roles and Responsibilities

- Ambiguity in contract scope leads to either:
 - Nothing getting done; or
 - Disagreement as to how things get done.
 - Understand what services are being provided
- Ensure that there is there a clear and detailed description of the services to be provided.
- Governing Board should retain final decision-making authority over school operations.

Common Sense Fiscal Controls

- Clear and transparent method of determining payment.
- Method of payment keeps finances under control of the Governing Board.
- Detailed delineation of goods or services provided for the fee as well as a distinct schedule or structure for additional services.
- Any financial arrangements, such as loans or advances, are supported by legally enforceable notes or contracts.
- The contract addresses the disposition of property in the event of default, contract termination, and/or school closure.

Protect Student and Public Interests

- Does the proposed relationship require business with an affiliated entity? Does the agreement contain references to any other entities?
- Is the board entering into any other agreements with affiliated entities (i.e., entities controlled by the same people that control the company)? Have these affiliations been disclosed?
- Do provisions of the contract conflict with requirements of law (open records, open meetings, etc)

Specific Important Provisions

■ Scope

- Should be clear with identifiable roles and responsibilities that reflect school autonomy.

■ Payment

- Should be transparent with amount commensurate with goods or services provided.

■ Term

- Should be for a definite term and, if applicable, renewals should require overt action by both parties.

■ Termination

- Should be balanced for both parties and must allow the school to operate following termination.

Prohibited Contractual Provisions

- Sweeps Contracts

- These contracts require the school to deposit all (or most) of the school's funding in an account under the control of, or accessible by, the vendor.

- Faculty and Staff Employed by Vendor

- Termination Provisions with Severe Penalties

- Provisions that Preclude the Governing Board from Oversight

- Provisions that Inhibit SCSC Oversight

- Provisions Contrary to the School's Charter Contract

Employee Selection

■ Professional Standards

- Adopt and adhere to your school's professional qualifications of employment.

■ Recruiting

- Utilize multiple methods (and websites) for recruitment.

■ Assess Skill

- Examine a teacher's ability to manage content (and the classroom)!

Employment Contracts

■ Flexibility

- Charter schools are not required to issue charter contracts, but teachers will expect contracts as a professional standard.

■ Be Clear with Terms

- If contracts are utilized, ensure the terms are clear and consistent – do not contract for a specific period of time without addressing the ability to dismiss the employee.

■ “At-will”

- Charter schools are not subject to the Fair Dismissal Act. However, indiscriminate terminations will lead to liability.

Employment Documentation

- DOCUMENT EVERYTHING

- Hiring Process
- Policies
- Discipline
- Termination
- Exit Survey

Contract Oversight

- What milestones/deliverables are in your contract?
- Are there specific measures in the contract for evaluation?
 - School performance
 - Audit Opinions
 - Deadlines
 - TKES/LKES
- To the greatest extent possible, align contracted performance to the SCSC Comprehensive Performance Framework.

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Governing Board Role in Oversight

- Receive performance reports BEFORE the board meeting.
- ACTIVELY review performance reports.
- Engage leaders/vendors in performance evaluations.
- Take action when necessary.

Engagement is the Bottom Line

Governing Boards must exercise substantive control over personnel, finances, curriculum and instruction, resource allocation, establishing and monitoring the achievement of school improvement goals, and school operations.